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# **Section I**

## **Budget at a Glance**

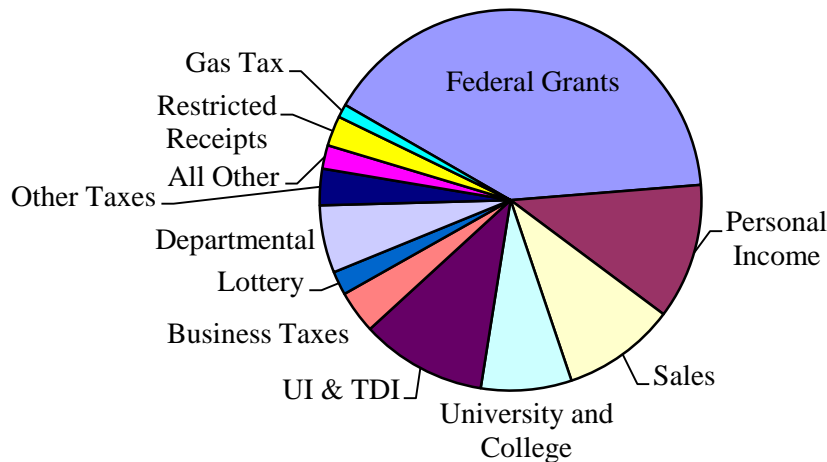
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## FY 2021 Budget at a Glance

The Assembly adopted a budget with total expenditures of \$12,730.4 million, which is \$2,759.8 million more than enacted by the 2019 Assembly for FY 2020 and \$2,535.4 million more than the Governor recommended, primarily from federal pandemic relief funds. It contains \$4,153.3 million from general revenues, which is \$75.7 million more than originally enacted for FY 2020 and \$94.5 million less than the Governor recommended.

Sources of Funds



### Budget Issues

- **Timing.** The Governor's budget recommendations for FY 2021 were introduced on January 16, 2020. The legislative session was suspended in March in response to the COVID-19 pandemic. The House Finance Committee resumed hearings in May and continued through the summer and fall. In the absence of a budget at the start of the fiscal year in July, the state relied on the general law provision allowing it to use the prior year budget authority. The House Finance Committee recommended passage of 2020-H 7171, Substitute A on December 9, and the House passed it a week later on December 16. The Senate approved it on December 17 and the Governor signed it on December 21.

- **FY 2021 Gap.** Estimates for the projected revenue-expenditure gap for FY 2021 varied widely depending on the source and timing of the estimate. In December 2019, the House Fiscal Staff estimated that updated data showed a roughly \$6.5 million current year deficit would have to be solved as well as a \$122 million issue for FY 2021. The Governor's FY 2021 budget proposed to resolve much of the deficit through increased revenues as well as reductions to human services caseload expenses and aid to cities and towns. These reductions were offset by updated education aid estimates and new initiatives, increased spending for commerce, job training and prekindergarten initiatives as well as other new spending priorities.

The state budget picture changed dramatically within months of the budget submission. The Governor's March 9 state of emergency declaration from the COVID-19 public health emergency was soon followed by a March 13 federal declaration. The federal government made resources available for costs of the immediate response as well as related expenses. This included economic stabilization for individuals and

businesses, education budget stabilization and Medicaid assistance. There was no direct relief for lost revenues which were estimated in May to be over \$800 million compared to the Governor's budget assumptions for FY 2020 and FY 2021. The Assembly adopted a revised FY 2020 budget in June to address the immediate deficit and deferred action on FY 2021. Improved revenue estimates and other loosened restrictions on federal funds helped close the budget gap and allow the Assembly to enact a current service budget with no fee or tax increases.

- ***Out-Year Projections.*** The out-years continue to be unbalanced as projected expenditure growth continues to outpace revenue growth and the state faces the economic effects of the pandemic. The forecast included with the Governor's budget submitted in January 2020 estimated a \$31.4 million gap for FY 2022 that grows to \$153.9 million in FY 2025. The FY 2022 gap projected included the impact of the use of one-time items in the resolution of the FY 2021 budget gap as well as growth in local aid based on the ongoing car tax phase-out. Fiscal Staff's out-year forecast which includes a \$446.4 million gap for FY 2022 is as of the mid-December enactment and includes only the known and adopted federal stimulus provisions at that time. Therefore, it excludes the potential impact of the stimulus package signed into law on December 27 and early executive actions by the Biden Administration. Some of those bring positive impact and others are expected to reduce tax revenues.
- ***Taxes and Revenues.*** The Governor recommended \$113.7 million more general revenues than estimated at the November 2019 Revenue Estimating Conference for FY 2021 for a total of \$4,355.3 million. This includes a number of changes to current law, none of which were adopted but all are described in *Section V, Special Reports: Revenues Changes*.

## **Commerce and Workforce**

- ***COVID Relief - Restore RI Business & Non-Profit Grants.*** The Budget includes \$65.5 million from federal Coronavirus Relief funds to provide financial support of up to \$30,000 to a variety of small businesses and non-profits during the coronavirus pandemic. To be eligible, businesses must demonstrate a 30.0 percent revenue loss during at least one month due to COVID-19.
- ***COVID Relief - Business Interruption Supports.*** The Budget includes \$55.8 million from federal Coronavirus Relief funds to support businesses experiencing disruptions related to the pandemic or the pause period announced in November 2020. This includes \$47.0 million for a grant program administered by the Division of Taxation which reimburses losses from \$500 to \$50,000. Businesses must be locally-owned tax filers that have not declared bankruptcy.
- ***COVID Relief - Hospitality, Arts, and Tourism Supports.*** The Budget includes \$20.0 million from federal Coronavirus Relief funds to prevent the closure of arts, culture, and hospitality and tourism businesses during the coronavirus pandemic. The program assumes about half of its grants will support activities that allow safe gatherings of artistic and tourism-related activities and half will provide direct support to organizations.
- ***COVID Enforcement/Inspection.*** The Budget includes \$2.3 million, including \$1.7 million from general revenues and \$0.6 million from federal funds to support contractors hired to conduct inspections of businesses throughout the state to ensure compliance with COVID-19 mandates. The general revenues are intended to support expenses after December 30, 2020.
- ***COVID Relief - Back to Work RI.*** The Budget includes \$45.0 million from the federal Coronavirus Relief Fund for the Back to Work Rhode Island program, a new initiative created in response to the COVID-19 pandemic which connects Rhode Islanders with job opportunities while providing resources and training. The program partners directly with businesses including Amgen, Bank of America, Care New England,

CVS Health, General Dynamics Electric Boat, IGT, Infosys, Laborers' International Union of North America, Lifespan, Microsoft, Raytheon Technologies, Salesforce, Service Employees International Union and Twitter. The Governor announced the \$45.0 million program in July.

- ***COVID Relief - Governor's Pause Supplemental Unemployment Payment.*** The Budget includes \$40.0 million from the federal Coronavirus Relief Fund for a one-time supplemental unemployment payment. On November 25, the Governor announced a series of initiatives to assist Rhode Islanders during the two week pause she announced a week earlier. Included in this is a one-time supplemental unemployment payment of \$400 to those out of work during this period as a result of the pandemic.
- ***Minimum Wage.*** The Governor's budget proposed legislation increasing the minimum wage from \$10.50 per hour to \$11.50 per hour, effective October 1, 2020. The recommended budget also includes \$0.2 million for the impact on the Department of Environmental Management's seasonal recreational program in FY 2021. The Assembly passed 2020-H 7157, Substitute A which carried out this section and was signed into law by the Governor on March 10, 2020.
- ***Rebuild Rhode Island Tax Credit.*** The Budget includes \$22.5 million from general revenues to continue funding commitments already made under the Rebuild Rhode Island Tax Credit program. This would bring total appropriations for these credits, which are redeemed over time, to \$67.2 million. The Budget excludes the Governor's proposal to increase the total amount of credits that can be awarded from \$210 million to \$250 million and lower the capped percentage of project costs based on specific criteria. The Budget extends the sunset to June 30, 2021.
- ***Wavemaker Fellowships.*** The Budget does not include the Governor's proposal to include an additional \$0.9 million for the expansion of the Stay Invested in RI Wavemaker Fellowship program. It maintains the enacted level of \$1.2 million for the current program as enacted by the 2015 Assembly. The Budget extends the sunset to June 30, 2021.
- ***Air Service Development.*** The FY 2017 through FY 2019 enacted budgets provided \$2.5 million to support direct incentives, revenue guarantees, and/or other support for additional air service routes to major metropolitan areas; there is no funding in the enacted budget. The 2019 Assembly established a sunset date of December 31, 2020. The 2020 Assembly extended the sunset to June 30, 2021.
- ***Commerce Corporation - Operations.*** The Budget includes the enacted level of \$7.4 million from general revenues to support general operations of the Corporation. The Assembly did not concur with the Governor's proposal to add \$54,000.
- ***Experimental Program to Stimulate Competitive Research (EPSCoR).*** The Budget includes the enacted amount of \$0.9 million for the National Science Foundation's Experimental Program to Stimulate Competitive Research.
- ***Innovate RI Small Business Programs.*** The Budget includes the enacted level of \$1.0 million to support Small Business Innovation Research grants and the Bioscience and Engineering Internship programs.
- ***Innovation Initiative.*** The Budget includes \$1.0 million from general revenues for Innovation Initiative grants and vouchers for businesses with less than 500 employees. Vouchers of up to \$50,000 may be given for research and development assistance from a Rhode Island university, research center or medical center, or to a small business manufacturer for internal research and development. The 2020 Assembly extended the sunset to June 30, 2021.

- ***Chafee Center at Bryant.*** The Budget includes \$476,200 for the Chafee Center at Bryant University, consistent with prior budgets. As the state's designated State International Trade Office, its consultants work with local companies to offer guidance and advice to initiate and/or develop international trade opportunities.
- ***Industry Cluster Grants.*** The Budget includes \$0.1 million for the Industry Cluster Grants program, which enables the Commerce Corporation to provide startup and technical assistance grants ranging from \$75,000 to \$250,000 and to provide competitive grants ranging from \$100,000 to \$500,000 for activities within an industry cluster and to close industry cluster gaps. This is the funding originally enacted for FY 2020 but rescinded in the final budget. The Budget also extends the sunset from December 31, 2020 to June 30, 2021.
- ***P-Tech Initiative.*** Previous appropriations for the P-Tech Initiative, which establishes partnerships between high schools, higher education institutions, and employers to offer courses towards high school diplomas and associate's degrees exceed current program commitments, which have not expanded. The Assembly did not concur with the Governor's proposal to provide an additional \$0.2 million but did extend the sunset to June 30, 2021.
- ***Polaris Manufacturing Extension Partnership.*** The Budget includes the enacted amount of \$350,000 from general revenues to support Rhode Island manufacturers by continuing to deploy technical experts to provide LEAN training facilities layout and provide assistance in manufacturing optimization. Polaris Manufacturing Extension Partnership is a Providence-based nonprofit organization that also receives funding from the National Institute of Standards and Technology to subsidize its consulting services to smaller manufacturing business owners, and fund awareness activities and educational seminars.
- ***East Providence Waterfront Commission.*** The Budget includes \$50,000 from general revenues for the East Providence Waterfront Commission, consistent with the enacted budget. The Commission is charged with facilitating the transformation of the East Providence waterfront into a model of urban revitalization.
- ***Small Business Assistance Program.*** The 2015 Assembly established this program to support businesses with less than 200 employees that are having difficulty obtaining financing from traditional lending organizations. The program capitalizes third-party lenders, including those with expertise in microloans, to provide access to capital. Originally capitalized with \$5.5 million made available from debt restructuring, the 2019 Assembly recapitalized the program with \$0.5 million from general revenues. The Budget extends the sunset to June 30, 2021
- ***Small Business Development Center.*** The Budget includes the enacted amount of \$350,000 from general revenues for the Small Business Development Center at the University of Rhode Island.
- ***Main Street Streetscape Improvement Fund.*** The FY 2016 through FY 2019 budgets provided a total of \$3.0 million for the fund and authorized the Commerce Corporation to award loans, matching grants and other forms of financing to enhance sidewalks, signage of public space and lighting in order to create an attractive environment in local business districts. All funding has been committed. The Budget extends the sunset to June 30, 2021.
- ***Site Readiness/Partnership.*** The Budget includes the enacted level of \$1.0 million from general revenues to assist municipalities to develop pad-ready industrial sites.
- ***Industrial Site Development.*** The capital budget includes \$40.0 million of new general obligation bonds to go before the voters on a March 2021 ballot during a special election for an initiative administered by the Quonset Development Corporation for competitive distribution to provide small grants for pre-

development purposes and competitively fund other projects to acquire industrial sites and develop facilities that create job-producing activities.

- **Supply RI.** The Budget includes the enacted amount of \$0.3 million from general revenues for the Supply RI program which connects small suppliers with the state's largest commercial purchasers by developing infrastructure to facilitate engagements, including supporting Commerce Corporation staff.
- **School Construction Contract Apprenticeship Requirements.** The Assembly did not concur with the Governor's proposal to implement a new requirement for school construction projects of \$5.0 million or more to have approved apprenticeship programs and utilize apprentices for 10.0 percent of the hours worked on the projects. The proposal would have also established a reporting process for contractors and penalties for non-compliance, including a \$500 per day fine for not submitting data or withholding payment to the contractor until data is submitted.
- **Real Jobs Rhode Island.** The Budget includes \$11.0 million split evenly from general revenues and federal funds the Real Jobs Rhode Island program. The Assembly did not concur with the Governor's proposal to extend the Job Development Fund assessment to large non-profit employers currently not subject to this charge.
- **Workplace Fraud Unit Staff and Compliance Enhancement.** The Budget does not include the Governor's workplace tax compliance proposal which included doubling misclassification penalties and increasing the minimum penalty for prevailing wage violations. The Budget removes \$4.2 million in revenues as well as 4.0 new full-time equivalent positions and \$0.4 million in associated expenses.
- **Urban Business Incubator.** The Budget includes \$140,000 for Urban Ventures, a 501(c)(3) urban business incubator. State law requires support for an urban business incubator.
- **Work Immersion/Non-Trade Apprenticeship Program.** The Budget includes the enacted amount of \$0.7 million from general revenues for the work immersion/non-trade apprenticeship program. The program provides students, recent college graduates, and unemployed adults with work experience, and assists employers by training individuals for potential employment.
- **Unemployment Insurance Benefits.** The Budget includes \$1,362.4 million from federal funds and the Unemployment Insurance Trust Fund for the payment of unemployment insurance benefits. This includes \$907.4 million from federal funds flowing through the budget to claimants, \$40.0 million from the Coronavirus Relief Fund associated with supplemental unemployment payments the state offered when it re-imposed business restrictions in November 2020, and \$415.0 million from the trust fund.
- **Temporary Disability Insurance Benefits.** The Budget includes \$184.0 million from the Temporary Disability Insurance Trust Fund for benefit payments that protect eligible workers against wage loss resulting from a non-work related illness or injury. This is \$6.8 million more than enacted, based on updated data.
- **Temporary Caregiver Insurance Benefits.** The Budget includes \$15.1 million from the Temporary Disability Insurance Trust Fund for the payment of caregiver benefits. This is \$0.1 million less than enacted based on updated data.
- **Uninsured Employers Fund.** The Budget includes \$0.9 million from workers' compensation restricted receipts for settlement payments from the Uninsured Employers Fund. Effective for injuries which occur on or after September 1, 2019, the fund pays employees for injuries on the job of an uninsured employer.

- ***South County Arrigan Center.*** The Budget includes \$0.6 million from workers' compensation restricted receipts for the expansion of the proposed South County Arrigan Center, a rehabilitative center similar to the Arrigan Center in Providence.
- ***Health Insurance Market Integrity Fund.*** The Budget assumes \$9.6 million in new revenues from the Shared Responsibility Payment penalty for individuals who do not have health insurance coverage, with certain exemptions, effective on January 1, 2020. Of the recommendation, \$8.3 million will be used to make payments to health insurance carriers and \$1.3 million is for operating expenses. Current law prohibits the use of general revenues for reinsurance payments.
- ***Quonset Industrial Park Renovations.*** The capital budget includes \$14.0 million from Rhode Island Capital Plan funds for infrastructure improvements at the Quonset Business Park. Work includes increasing roadway crossing capacity and utility relocation for additional future development of heavier shipping weights, construction of a new pier and dredging a new approach to that pier. These funds would support total estimated project costs of \$34.5 million, with the remaining expenses paid by tenants of the Quonset Business Park.
- ***Quonset Piers.*** The previously approved capital plan provided total of \$90.0 million for extension and renovation of the Quonset Business Park's pier 2. This included \$50.0 million of general obligation bond proceeds approved by the voters on the November 2016 ballot, \$25.0 million from revenue bonds authorized by the 2016 Assembly to be issued by the Quonset Development Corporation, and \$15.0 million from Rhode Island Capital Plan funds. The Corporation testified that the updated estimated expense for the project is \$84.5 million; it is still anticipated to be completed in FY 2022. The Budget reduced Rhode Island Capital Plan funds by \$5.0 million to reflect updated cost projections.
- ***Port of Davisville Infrastructure.*** The capital budget includes \$20.0 million of new general obligation bonds to go before the voters on a March 2021 ballot during a special election for infrastructure improvements consistent with its port master plan, including rehabilitation of Pier 1 and construction of a new pier and dredging.
- ***Port of Providence.*** The Budget includes \$20.0 million from general obligation bond funds approved by the voters on the November 2016 ballot to increase terminal capacity at the Port of Providence by funding the acquisition of up to 25 acres of land located between Allens Avenue in the City of Providence and the Providence River and associated infrastructure improvements.
- ***Innovation Campus Bond.*** The Budget includes \$20.0 million from general obligation bonds approved by the voters on the November 2016 ballot for the construction of one or more innovation campuses affiliated with the University of Rhode Island. Through October 2019, the Executive Office of Commerce has announced five awards totaling \$14.4 million; \$5.6 million remains available for future awards.
- ***I-195 Redevelopment Commission Capital.*** The capital budget provides the I-195 Redevelopment Commission \$0.5 million from Rhode Island Capital Plan funds for FY 2021 and \$0.6 million for FY 2022.
- ***I-195 District Park Infrastructure.*** The capital budget includes \$4.0 million of new general obligation bonds to go before the voters on a March 2021 ballot during a special election for the development of physical infrastructure at the District's parks.

## Housing

- ***COVID Relief - Rental Assistance.*** The Budget includes \$5.4 million, including \$0.3 million from general revenues and \$5.1 million from COVID Relief federal funds for rental assistance during the coronavirus pandemic; general revenues are intended to support program operations after December 30,



2020. Housing Help RI is a new emergency rental assistance program providing emergency housing assistance to very low-income renters at immediate risk of homelessness.

- **COVID Relief - Landlord Incentives.** The Budget includes \$0.5 million, including \$0.1 million from general revenues and \$0.4 million from federal funds for incentives to landlords during the coronavirus pandemic; the general revenues are intended to support program operations after December 30, 2020. The program provides payments directly to property owners to make residential units available to individuals experiencing homelessness. Participants are anticipated to pay 30 percent of their income, with housing vouchers paying the remainder.
- **COVID Relief - Eviction Diversion.** The Budget includes \$7.3 million from federal funds to reflect anticipated support for an eviction diversion program during the coronavirus pandemic. The program includes funding for staffing and legal contracting in support of an extrajudicial mediation process to resolve nonpayment disputes between property owners and renters.
- **COVID Relief - Navigation Assistance and Legal Services.** The Budget includes \$0.2 million from federal funds for grants to nonprofits that help individuals navigate housing assistance applications and complete the application process successfully. This is in addition to legal services funded through the Eviction Diversion program.
- **Affordable Housing.** The capital budget includes \$65.0 million of new general obligation bonds to go before the voters on a March 2021 ballot during a special election for funding for affordable housing and community revitalization projects through the redevelopment of existing structures, new construction, and property acquisition.

#### **Local Government (See Section V, Special Reports: State Aid to Local Government)**

- **Distressed Communities Relief Fund.** The Budget includes \$13.8 million for Distressed Communities Relief, which is \$1.4 million more than provided under current law and \$7.6 million more than recommended by the Governor. This includes \$11.3 million from COVID Relief federal funds distributed pursuant to the distressed communities formula. There is a redistribution of funding among qualifying communities based on updated tax levies.
- **Motor Vehicles Excise Tax.** The Budget provides \$123.8 million for distribution through the Motor Vehicle Excise Tax Phase-Out program, this is \$11.2 million more than provided under current law. It maintains the phase-out schedule under current law and distributes \$86.0 million from COVID Relief federal funds using the same formula under statute. The Governor's budget proposed legislation to complete the phase-out a different way with more of the cost shifted to later years; the Assembly did not concur. For FY 2021, the rate cap remains at \$35 per \$1,000 assessed, consistent with the prior year. Changes include lowering the assessed value from 85.0 percent to 80.0 percent and raising the minimum exemption by \$1,000 to \$4,000.
- **Payment in Lieu of Taxes Program.** The Budget includes \$50.7 million for communities that qualify for the Payment in Lieu of Taxes program, this is \$4.6 million more than provided under current law. This includes \$31.5 million from COVID Relief federal funds distributed pursuant to the Payment in Lieu of Taxes program formula. The Governor recommended the enacted amount of \$46.1 million for the Payment in Lieu of Taxes program that reimburses cities and towns for property taxes that would have been due on real property exempted from taxation by state law.
- **Municipal COVID Relief Fund.** The Budget provides \$136.5 million from COVID Relief federal funds for local municipalities. The Budget allows the Department of Revenue to require cities and towns

to submit all appropriate and necessary documentation to show that the use of funds complies with all applicable federal laws and regulations governing the use of funds. The funds are distributed based on four formulas including the Distressed Communities Relief, Payment in Lieu of Taxes, and Motor Vehicle Excise Tax Phase-Out. There is an additional \$7.8 million distributed on a per capita basis.

- ***Payment in Lieu of Taxes Program Eligibility.*** The Assembly did not concur with the Governor's proposal to no longer exempt portions of non-profit higher education and hospital properties from taxation.
- ***Library Resource Sharing Aid.*** The Budget includes the enacted amount of \$9.6 million for state support of public libraries. Current law allows 25.0 percent reimbursement of second prior year expenditures, subject to appropriation. The funds represent 21.7 percent; the enacted budget represents a 22.1 percent reimbursement.
- ***Library Construction Aid.*** The Budget includes \$2.7 million to fully fund library construction aid requirements. The state reimburses libraries up to half the total costs for eligible projects on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project.
- ***Property Valuation Reimbursement.*** The Budget includes \$1.1 million for FY 2021 to reimburse communities conducting property valuation updates. Current law requires that municipalities complete full revaluations every nine years with statistical updates every third and sixth year following a full revaluation.
- ***Airport Impact Aid.*** The Budget includes the enacted level of \$1.0 million for FY 2021 to the Commerce Corporation so that the Airport Corporation can provide impact aid payments to the seven communities that host the six state airports. The community payments are made proportionately based on the number of total landings and takeoffs.

#### **Education Aid (See Section V, Special Reports: Education Aid)**

- ***FY 2021 Formula Education Aid.*** The Budget includes \$946.3 million for formula education aid for local school districts, including charter schools pursuant to the funding formula. This is \$34.3 million more than enacted and includes funding formula assumptions consistent with current law.
- ***Funding Formula Assumptions.*** The Budget funds the tenth year of the education funding formula adopted by the 2010 Assembly. The calculation for FY 2021 uses March 15, 2020 student enrollment data adjusted for FY 2021 projected charter school enrollments, a per pupil core instruction amount of \$10,310 and state share ratio variables updated with June 30, 2019 data. Funding increases for districts that received more state support have been fully phased-in since FY 2019, and aid to districts that were receiving less state funding is fully phased-in as of FY 2021.
- ***Central Falls.*** The Budget includes \$45.1 million of education aid for Central Falls, including \$38.1 million from formula aid and \$7.0 million in stabilization funding to stabilize the school district until the city can begin to pay its local share. The recommendation is \$3.6 million more than enacted including \$3.3 million from updated March 2020 data.
- ***Davies Career and Technical Center.*** The Budget includes \$13.7 million of education aid for Davies Career and Technical Center. This includes \$8.8 million from funding formula aid and \$5.0 million from supplemental funding, which mitigates some of the losses in funding from the implementation of the funding formula and recognizes the additional costs associated with running a stand-alone school that offers both academic and career and technical education. Total funding is \$32,001 more than enacted.

- ***Metropolitan Career and Technical School.*** The Budget includes the enacted level of \$9.3 million of education aid for the Metropolitan Career and Technical School. This includes \$7.7 million from funding formula aid and \$1.6 million from supplemental funding, which mitigates some of the losses in funding from the implementation of the funding formula and recognizes the additional costs associated with running a stand-alone school that offers both academic and career and technical education.
- ***Early Childhood Funds/Prekindergarten.*** The education funding formula has an early childhood education category of aid that allows for additional resources from the state to increase access to voluntary, free, high-quality prekindergarten programs. The Budget includes the enacted level of \$14.8 million from general revenues. Including the \$3.0 million from new federal preschool development funds, total support for early childhood is \$16.8 million. For FY 2021, there are 96 prekindergarten classrooms serving 1,768 children using early childhood education aid and federal Head Start funds available to some providers. This is an increase of 18 classrooms and 366 seats from FY 2020.
- ***English Language Learners Funds.*** The Budget includes the enacted level of \$5.0 million to support English language learners that are in the most intensive programs. The funding calculation is 10.0 percent of the core instruction amount, applied to students in the most intensive English learner programs and ratably reduced to the appropriation. Funds may only be used on evidence-based programs proven to increase outcomes for English learners and are monitored by the Department of Elementary and Secondary Education.
- ***Early Learning Facilities Bond.*** The Budget includes \$15.0 million from new general obligation bonds to be submitted to the voters during a March 2021 special election for physical improvements to early learning facilities, including daycare and other early childhood education programs.
- ***Career and Technical Education Funds.*** The education funding formula allows for additional resources from the state to help meet the initial capital investment needs to transform existing or create new comprehensive career and technical education programs and offset the higher than average costs of maintaining highly specialized programs. The Budget includes the enacted level of \$4.5 million for FY 2021.
- ***Special Education Funds.*** The education funding formula allows for additional resources from the state for high-cost special education students when those costs exceed five times the district's combined per pupil core instruction amount and student success factor amount. The Budget includes the enacted level of \$4.5 million for FY 2021.
- ***Non-Public School Transportation Funds.*** The education funding formula allows for additional resources from the state to districts for some out-of-district non-public school transportation costs. The Budget includes the enacted level of \$3.0 million for FY 2021.
- ***Regional District Transportation Funds.*** The education funding formula allows for additional resources from the state to districts for some transportation costs within regional school districts. The Budget includes the enacted level of \$4.6 million for FY 2021.
- ***School Resource Officer Support.*** The Budget includes \$0.3 million from general revenues for school resource officers in FY 2021 based on reimbursement requests received.
- ***School Construction Aid.*** The Budget includes a total of \$80.0 million to fund projected costs of school housing aid to local districts for FY 2021. This includes \$79.1 million for the traditional program and \$0.9 million for the School Building Authority. Total funding is consistent with the enacted budget; however, funds are shifted between programs based on anticipated reimbursements from the traditional program.

- ***Recovery High School.*** The Budget includes the enacted level of \$0.5 million from general revenues to support the state's recovery high school, which provides programs to students recovering from substance abuse.
- ***Textbook Reimbursement.*** The Budget includes the enacted level of \$240,000 for reimbursements allowed under the textbook reimbursement program. Under current law, the state reimburses districts for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12<sup>th</sup> grade.
- ***School Breakfast.*** The Budget includes the enacted level of \$270,000 from general revenues for the administrative cost reimbursements to districts for the school breakfast program. Food is paid from federal sources.
- ***Teacher Retirement.*** The state funds 40.0 percent of the employer's share of retirement contributions on behalf of teachers who are members of the teacher retirement system. The Budget includes \$118.3 million from general revenues, or \$6.0 million more than enacted for the estimated costs of the state's share.
- ***COVID Relief.*** The Budget includes carry-forward of \$46.7 million from Coronavirus Relief funds to be distributed to local education agencies in proportion to the FY 2019 distribution of Title I-A funds. Funds were included in the final FY 2020 appropriation; however, the Department did not begin distributing funds until the fall of 2020.

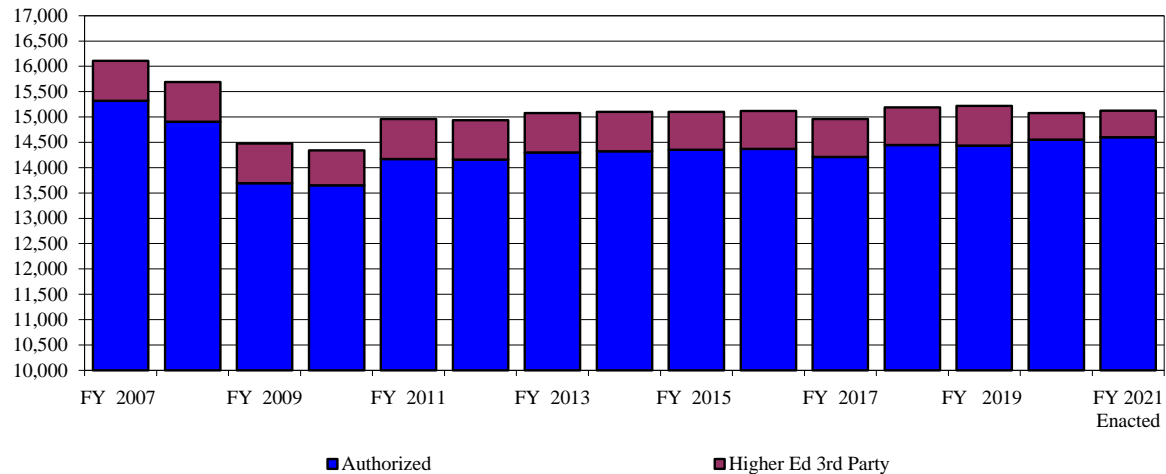
#### ***State Government (See Section V, Special Reports: State Government Personnel and Staffing)***

- ***Personnel.*** The Governor recommended \$2,246.5 million for personnel expenditures and 15,074.7 full-time equivalent positions, including 523.8 higher education positions dedicated for research or supported by other third-party funds. The expenditures include salaries and benefits, as well as contracted services. The recommendation is \$63.2 million more than the enacted budget, including \$36.0 million more for salaries and benefits and \$27.2 million more for contracted services, of which \$9.2 million or one-third is in the Department of Transportation.

The recommendation assumes the enacted level of staffing; however, adds approximately 240 new positions. Among the staffing changes are 45.0 new positions in the Department of Transportation to carry out the Department's plan to perform more operations in-house; 42.0 new positions in the Department of Health funded primarily from federal funds and restricted receipts; 42.0 new positions in the Department of Children, Youth and Families, of which 14.0 positions are for a recruitment and retention initiative and 11.0 social workers; 15.0 new positions in the Department of Business Regulation primarily for the adult-use marijuana proposal; 12.0 new positions in the Department of Corrections for discharge planning and other programs; and 9.0 new positions in the Department of Elementary and Secondary Education for various programs, including school construction and curriculum. These new positions and several others are offset by a reduction of 204.0 positions from the privatization of the state-run system for adults with developmental disabilities also known as RICLAS.

The Assembly provided \$2,389.5 million for personnel expenditures and 15,124.7 full-time equivalent positions, including 523.8 higher education positions dedicated for research or supported by other third-party funds. It did not include the recommended new positions but did add 50.0 new positions, including 35.0 positions in the Department of Labor and Training to assist with the increase in unemployment claims and 15.0 in the Department of Health for COVID-19 related activities.

### Full-Time Equivalent Positions



- COVID Relief - Legal.** The Budget includes \$1.4 million, including \$300,000 from general revenues for legal expenses related to the state's COVID response. This includes \$0.8 million for outside legal services and \$0.6 million for a case management software system to track the status of legal cases statewide.
- COVID Relief - Government Readiness.** The Budget includes \$26.1 million, of which \$1.9 million is from general revenues for government readiness related to COVID-19 response services, screening and reconfiguration of lobby and cubicle areas in the state.
- Enterprise Resource Planning.** The Budget does not include the Governor's proposal to authorize borrowing of \$54.8 million through Certificates of Participation to develop and implement an Enterprise Resource Planning System for human resources, information system, payroll, finance, and grants management. The project assumes \$18.9 million for operating expenses, which would be financed from the Information Technology Internal Service Fund. There are several phases that likely will last through FY 2024. The recommendation includes \$1.5 million from general revenues for development of the system, including funding for 2.0 full-time equivalent information technology manager positions and contracted services. A requested budget amendment lowered the authorization by \$16.0 million to \$38.8 million to reflect the exclusion of the financial management system and removed the staffing authorization assuming that the system will be implemented with current staff.
- Medical Benefit Savings.** The final FY 2020 budget includes general revenue savings of \$1.7 million from updating the medical benefit rates. The FY 2021 recommendation includes general revenue savings of \$3.5 million from a lower than expected rate.
- City Year.** The Budget includes the enacted amount of \$130,000 from general revenues to City Year for the Whole School Whole Child Program, which provides individual support to at-risk students.
- Police and Fire Relief Fund.** The Budget includes \$3.7 million from general revenues for the Police and Fire Relief program for annuity payments and in-state tuition to eligible spouses, domestic partners and dependents of certain injured or deceased police officers and firefighters. This is \$0.1 million less than enacted but consistent with FY 2019 spending.
- Election Equipment.** The capital budget includes \$0.2 million from Rhode Island Capital Plan funds in FY 2023 for the Secretary of State to acquire new voting equipment. This includes 200 AutoMark tables,

500 privacy booths, and other equipment. Current AutoMark tables were last purchased in 2005 and the recommendation notes that there is an expectation that this equipment will last for multiple election cycles.

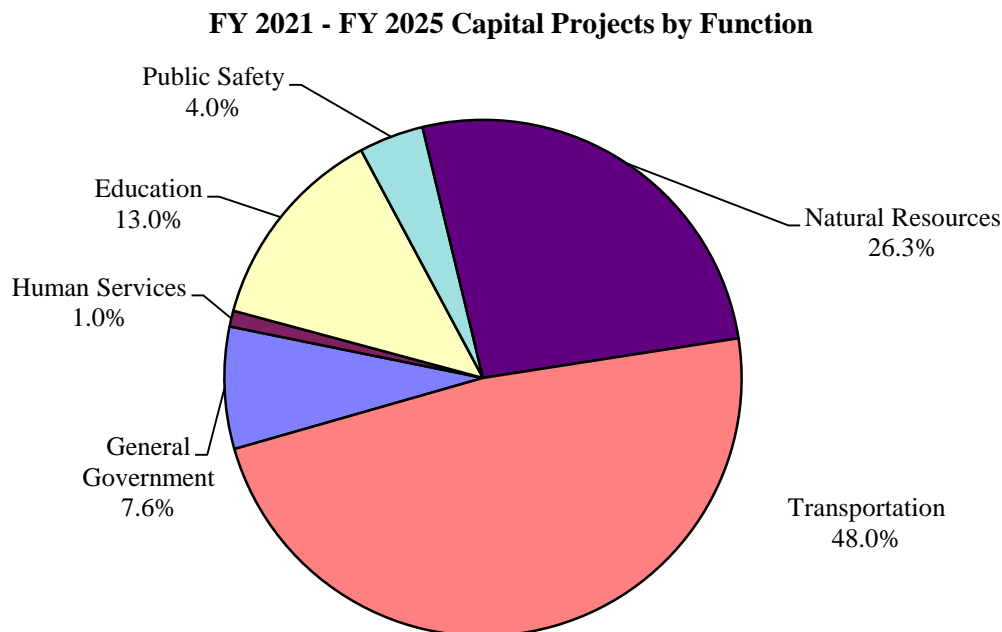
- ***Election Expenses.*** The Budget includes \$3.3 million, with \$1.4 million from general revenues and \$1.9 million from federal funds, for the Board of Elections and Secretary of State for anticipated costs associated with the September 2020 primary and November 2020 general election. It also includes \$1.5 million from general revenues for a special election in March 2021 on general obligation bond referenda.
- ***Rhode Island Historical Society.*** The Budget includes the enacted level of \$125,000 in general revenue support for the Rhode Island Historical Society.
- ***Newport Historical Society.*** The Budget includes the enacted level of \$18,000 in general revenue support for the Newport Historical Society.
- ***Help America Vote Act Election Security Grant.*** The Budget includes \$0.4 million from the Help America Vote Act Election Security Grant for FY 2021 to expend the balance of funds. The Secretary of State, in conjunction with the Board of Elections, received \$3.0 million from the grant.
- ***Complete Count Initiative.*** Both FY 2020 and FY 2021 budgets include a total of \$500,000 to fund the Complete Count Initiative to ensure that the state maximizes its outreach and count related to the 2020 Census.

## **Debt Service**

- ***38 Studios Debt Service.*** The Budget includes \$12.1 million from general revenues for the final year of debt service relating to 38 Studios.
- ***Garrahy Garage Debt Service.*** The final FY 2020 budget includes \$3.0 million from general revenues to cover debt service relating to the Garrahy Garage project; this restores \$1.2 million of assumed savings in the enacted budget. The 2014 Assembly authorized the \$45.0 million project to move forward only after three parcels had been sold. The 2016 Assembly amended that to allow construction if Wexford Science and Technology agrees to lease no less than 400 parking spaces. The garage was scheduled to open in January; it is now anticipated to open in March. The final FY 2020 budget assumes \$0.2 million in agency budgets that are expected to use the garage. The FY 2021 budget includes \$1.9 million.
- ***Convention Center Authority.*** The Assembly provided \$21.4 million in FY 2020 and \$22.9 million in FY 2021 from general revenues for the Convention Center Authority to cover debt service requirements. On March 9, 2020, the Governor declared a state of emergency because of dangers posed by COVID-19. Subsequently, all scheduled events at the facilities were cancelled and the Authority negotiated a lease to use the Convention Center facility as hospital space for coronavirus patients.
- ***Historic Tax Credit Trust Fund Debt Service.*** The Budget includes \$19.4 million from general revenues in both years to fund debt service for historic tax credits.
- ***Providence Place Mall.*** The budgets include savings of \$3.6 million from general revenues in both years for debt service costs of the Providence Place Mall. A review of the reserve account showed available resources were sufficient to pay off the debt; a final payment was made in October 2019.
- ***Fidelity Job Rent Credits.*** The Budget includes general revenue savings of \$2.8 million for payments under the Fidelity Job Rent Credits agreement based on the availability of reserve funds.

## Capital (See Section IV: Capital Budget)

- **Outlays and Funding.** The FY 2021 through FY 2025 plan includes \$5,625.0 million of outlays on \$13,151.0 million of project estimates. Average outlays would be \$1,125.0 million per year for the five-year period with \$259.5 million required at the end of the period to complete the projects.
- **General Obligation Bonds Referenda.** Financing the five-year plan is based on \$751.0 million of general obligation bond debt issuances. This includes \$400.0 million from new general obligation bonds to go before the voters on a March 2021 ballot during a special election. It also includes \$250.0 million from new general obligation bonds for a second school construction bond to go before the voters in November 2022 with funding programmed to begin in FY 2024. The voters approved an initial \$250.0 million in November 2018 for school construction. The average bond referenda over the past five elections was \$244.8 million and the voters approved \$367.3 million on the November 2018 ballot. Excluding the \$250.0 million school construction bond on the 2018 ballot, the average referenda over the past five elections would have been \$194.8 million. This is the largest referenda in the past 50 years, with the 2004 ballot including \$392.0 million being second largest.
- **Other Debt Approvals.** The 2020 Assembly did not act on the Governor's recommendation for \$183.0 million to be approved under the Public Corporation Debt Management Act. This includes \$54.8 million for a new human resources, payroll, finance, and grants management system, \$17.0 million for a new child welfare information system, \$12.0 million to address project overruns for the Eleanor Slater Hospital consolidation project, and \$35.0 million for a new southern barracks for the State Police. Because of the late enactment of the FY 2021 budget, the Assembly deferred consideration until the 2021 session.



- **Financing.** Paying for the five-year outlays includes \$1,821.6 million from debt financing and \$3,803.4 million from current or pay-go sources. Pay-go represents 67.6 percent with debt funding being 32.4 percent.

- ***Debt Levels.*** Total net tax supported debt decreases during the period through FY 2025 by \$103.2 million from \$1,937.1 million to \$1,833.9 million. Past practice indicates that debt levels will be significantly higher as more projects are added within the five-year period of this capital budget.
- ***Debt Ratios.*** Net tax supported debt would decrease from 3.1 percent of personal income reported for FY 2019 to 2.5 percent in FY 2025 assuming that the capital budget is not increased. However, as with debt levels, past practice indicates it is likely to be higher than projected.
- ***Rhode Island Capital Plan Fund.*** The plan relies heavily on the use of Rhode Island Capital Plan funds, an important source of pay-go funds designed to reduce the need for borrowing. Total outlays for the five-year period are \$614.5 million.

## **Public Health**

- ***COVID Relief - Vaccine Campaign.*** The Budget includes \$37.5 million from all sources for the distribution of a vaccine, including personnel to administer it, storage, supplies and outreach. This includes \$12.5 million from general revenues for expenses expected to occur after December 30 when the Coronavirus Relief funds expire. The actual cost of the vaccine will be paid by the federal government.
- ***COVID Relief - Testing.*** The Budget includes \$264.2 million for testing, which includes laboratory contracts, supplies, site equipment, and staffing. This includes \$60.5 million from general revenues which would cover expenses to be incurred in the second half of fiscal year for which there is no other federal support.
- ***COVID Relief - Contact Tracing.*** The Budget includes \$63.2 million from all sources for contact tracing and case investigation. These expenses include contracted staffing from ADIL and Guidesoft, retired nurses and epidemiology services from Brown University. The Assembly also authorized 15.0 new full-time equivalent positions to account for the additional staff that has been hired to assist with this and other elements of the Department of Health's response efforts.
- ***COVID Relief - Surge Hospital Operations & Deconstruction.*** The Budget includes \$53.1 million from all sources, of which \$11.4 million is from general revenues for alternate hospital site, deconstruction, lease and other expenses.
- ***COVID Relief - Quarantine and Isolation.*** The Budget includes \$21.9 million, of which \$2.6 million is from general revenues for quarantine and isolation related expenses, which includes temporary housing for those that cannot isolate in their homes and for individuals and facilities experiencing homelessness.
- ***COVID Relief - Hospital Assistance Partnership Program.*** The Budget includes \$125.0 million from federal funds to provide financial assistance to hospitals with the intent of maintaining a responsive hospital system. A total of \$95.5 million was provided in FY 2020.
- ***COVID Relief - Technical Enablement/Development.*** The Budget includes \$10.6 million from all sources, including \$0.4 million from general revenues for software and other information technology expenses related to COVID-19. These include expenses for the CrushCovid RI App, the Salesforce software, which is used to coordinate the tracking of demographic data and personnel costs for contractors providing support.
- ***COVID Relief - Health Equity Zones.*** The Budget includes \$4.2 million from federal Coronavirus Relief funds to support the Health Equity Zones to support mitigation efforts. A total of 10 Health Equity Zones were created throughout the state in 2015. The zones are geographical areas designed to achieve



health equity by eliminating health disparities to promote healthy communities. They are currently located in Providence, Pawtucket, Central Falls, West Warwick, Woonsocket, Bristol and Newport.

- ***COVID Relief - Medical Examiner and Surge Expenses.*** The Budget includes \$2.5 million from federal funds to purchase a 20,280 square foot building in Cumberland for the Office of State Medical Examiners and \$0.9 million to purchase vehicles to respond to the scene of deaths and other expenses. The Budget also includes \$5.0 million from Rhode Island Capital Plan funds over two years to renovate the facility.

## **Health and Human Services**

- ***Medicaid Program - FMAP Relief.*** On March 18, 2020, President Trump signed into law the Families First Coronavirus Response Act which temporarily increased a state's Medicaid match rate by 6.2 percent for services provided from January 1, 2020 until the end of the public health emergency. This allows for general revenue relief that impacts the Medicaid program in the Executive Office of Health and Human Services and programs in the Departments of Behavioral Healthcare, Developmental Disabilities and Hospitals, Human Services and Children, Youth and Families. The Budget includes general revenue savings of \$108.2 million for three quarters in FY 2021. Final expenses for FY 2020 included two quarters of general revenue savings totaling \$82.6 million across those same agencies.
- ***Hospital Licensing Fee.*** The Budget retains the FY 2021 hospital license fee at the current law rate of 5.0 percent and includes revenue totaling \$161.5 million.
- ***Hospital Rates.*** The Budget provides for the scheduled rate increase for hospitals that totals \$20.9 million, including \$6.4 million from general revenues.
- ***Outpatient Upper Payment Limit Reimbursement.*** The Budget includes \$7.9 million, of which \$2.6 million is from general revenues, for the outpatient upper payment limit reimbursement made to community hospitals for Medicaid services based on Medicare rates.
- ***Nursing Facilities Rates.*** The Budget includes the October 1, 2020 rate increase of 2.89 percent consistent with current law. The total value of the increase is \$7.8 million.
- ***Developmental Disabilities Services - RICLAS Closure.*** The Budget includes \$29.7 million for services provided to approximately 120 adults with developmental disabilities through the state-run system. The Assembly did not concur with the proposal to close it and have the community based agencies provide the services instead.
- ***Eleanor Slater Hospital.*** The Budget includes \$129.6 million, of which \$114.7 million is from general revenues and \$14.9 million is from Medicaid and federal Coronavirus Relief funds to operate the state-run Eleanor Slater Hospital. The Assembly addressed the ongoing federal compliance and billing issues by providing \$55.1 million from general revenues to replace Medicaid and third party billing. The Budget does not address longer term proposals related to hospital operations at either the Cranston or Zambarano campus.
- ***Opioid Stewardship Fund.*** The budgets include \$4.5 million for FY 2020 and \$3.3 million for FY 2021 from the Opioid Stewardship Fund for various treatment, recovery, prevention and education programs in the Departments of Corrections, Behavioral Healthcare, Developmental Disabilities and Hospitals, Elementary and Secondary Education, and Children, Youth and Families.

- **ADA 30<sup>th</sup> Anniversary Signing.** The Budget includes \$45,000 from donated restricted sources for workshop events and public forums relating to the 30<sup>th</sup> anniversary signing of the Americans with Disabilities Act.
- **Veterans' Home.** The Budget fully funds the Rhode Island Veterans' Home consistent with its first quarter report. It does not include the Governor's proposal to increase maintenance fees and maintains current law resident collections. From all sources, the Budget is \$1.2 million more than the Governor's recommendation and shifts \$11.8 million of personnel expenditures to Coronavirus Relief funds based on federal guidance.
- **COVID Relief - Workforce Stabilization Fund.** The FY 2020 and FY 2021 budgets include \$20.3 million from Coronavirus Relief funds to provide payroll support for frontline workers in congregate care settings earning under \$25 per hour. This includes those who work with seniors, people with developmental disabilities, individuals with mental health and substance abuse disorders, and young people in Department of Children, Youth and Families' congregate care facilities. Payments totaling \$16.3 million were made from April through July for Phase 1 through Phase 3 and \$4.0 million was allotted for Phase 4.
- **COVID Relief Funds - Community Based Providers.** The Budget includes \$3.0 million from Coronavirus Relief funds for community based agencies providing services to adults with developmental disabilities. The Department has awarded funding to 40 agencies for payments to be made to direct support staff who make less than \$20 an hour. This includes a one-time total payment of \$1,200 for staff working 30 hours or more. For staff working between 15 and 21 hours, the payment is \$540 and \$750 between 22 and 29 hours a week.
- **COVID Relief Funds - LTSS Resiliency Program - Nursing Facility Transformation.** The Budget includes \$9.0 million from Coronavirus Relief funds for the Nursing Facility Transformation Program. As part of the \$25.0 million for the LTSS Resiliency Fund, the Executive Office of Health and Human Services awarded funding to ten nursing facilities: eight received \$1.0 million and two received \$0.5 million. The funds can be used to reduce the number of licensed nursing home beds allowing the facility to diversify the use of the vacant beds and build capacity to be able to provide services to more specialized populations.
- **COVID Relief Funds - LTSS Resiliency Program - Nursing Home Supports.** The Budget includes \$4.7 million from Coronavirus Relief funds for payments made through the Nursing Home Supports Program. As part of the \$25.0 million for the LTSS Resiliency Fund, the state made \$800 per bed payments to nursing facilities that covered approximately 5,700 beds.
- **COVID Relief Funds - LTSS Resiliency Program - Home & Community Based Services.** The Budget includes \$5.9 million from Coronavirus Relief funds for the Home and Community Based Services Investments Program. As part of the \$25.0 million for the LTSS Resiliency Fund, the Executive Office of Health and Human Services awarded funding in three separate phases to expand access to community based services, supporting home health care workers, and provide behavioral healthcare training.
- **COVID Relief - Primary Care Provider - Focused Technical Assistance.** The Budget includes \$1.1 million from Coronavirus Relief funds to provide technical assistance to health care providers. This includes the use of telemedicine services, financial and infrastructure support, with a focus on primary care providers and community health teams, to address the health care needs of those vulnerable populations and make sure that providers can continue to meet critical health care needs during the pandemic.
- **COVID Relief Funds - Mental Health & Domestic Violence Prevention Programs.** The Budget includes \$2.1 million from Coronavirus Relief funds be used to support programs that address mental health and domestic violence issues during the pandemic. Funding will support student assistance services, opioid

outreach and distribution of naloxone, and counseling and advocacy for survivors of family violence. The Rhode Island Foundation is managing the process to award the funds.

- ***COVID Relief Funds - Substance Abuse Provider Relief Grant.*** The Budget includes \$1.0 million from Coronavirus Relief funds to be used to support substance abuse prevention programs that expand community based treatment services potentially reducing inpatient hospitalizations during the pandemic.

## **Children and Families**

- ***COVID Relief - Pediatric Primary Care Rate & Immunizations.*** The Budget includes \$6.1 million from Coronavirus Relief funds to support pediatric primary care providers. There is \$3.1 million for financial relief payments to pediatric primary care providers meant to provide immediate cash flow to make up for lost revenue due to COVID-19. Grant payments will be made to practices that provide primary care to children based on the number of children served by the practice and are contingent on provider efforts to bring children up to date with immunizations, lead screening, and the full range of well-child care. The remaining \$3.0 million supports 42 participating pediatric and family medicine practices that are involved in the incentive based model working to ensure that Medicaid covered children have access to essential primary care services.
- ***COVID Relief - Early Intervention and Children's Services Provider Relief.*** The Budget includes \$5.0 million from Coronavirus Relief funds to early intervention and children's service provider agencies that offer home based therapeutic services, personal assistance services and supports, applied behavior analysis, child and adolescent intensive treatment services, social groups for children with autism and CEDARR Family Centers. The one-time grants made to 22 providers offset any revenue loss that resulted from an interruption of services related to the pandemic.
- ***COVID Relief - Rhode Island Works Emergency Payment.*** The Budget includes \$1.5 million from Coronavirus Relief funds to provide a supplemental, emergency payment to Rhode Island Works participants. Current participants will receive a one-time payment in December equivalent to their regular monthly payment.
- ***COVID Relief - Supplemental Nutrition Program Emergency Payment.*** The Budget includes \$14.0 million from Coronavirus Relief funds for an emergency payment to households participating in the Supplemental Nutrition Assistance Program. In December 2020, current households received a one-time payment of approximately \$600.
- ***COVID Relief - Child Care.*** On May 27, the Governor signed Executive Order 20-39 authorizing the Department of Human Services to temporarily increase child care reimbursement rates for Child Care Assistance Program providers to assist with the cost of new regulations. Rates announced by the Department of Human Services are effective beginning June 1 and are anticipated to increase program expenditures by \$0.3 million each week. The new rates would have expired on June 26; however, several Executive Orders extended the rates most recently through February 17. The Budget includes \$0.6 million more from federal funds for FY 2021 for daycare expenses for children in foster care.
- ***COVID Relief - Positive Youth Stipend.*** In response to the COVID-19 emergency, the Department of Children, Youth and Families is providing additional support for foster families that test positive for COVID-19 with enhanced additive rates of \$10 and \$5, for the first 14 days and then days 15 to 28 respectively, to any foster family who takes in a youth diagnosed with COVID-19. The Budget includes \$0.1 million from the Coronavirus Relief Fund for this initiative.

- ***COVID Relief - Isolation, Intake Placements.*** The Budget includes \$2.0 million for placements for youth or families who need to be quarantined prior to placement or who may have been exposed to COVID-19.
- ***COVID Relief - VEC Program Extension Phase II.*** The Governor renewed prior executive orders which authorized the extension of services for youth who would otherwise age out of the Voluntary Extension of Care program at age 21 through August 31, 2020. The Budget includes \$0.1 million for FY 2021 for the extension of services.
- ***Rhode Island Works Clothing Allowance.*** The Budget includes \$0.3 million from federal funds from increasing the clothing allowance for children enrolled in Rhode Island Works from \$30 per child to \$100 consistent with the November caseload estimate.
- ***Private Agency Foster Care.*** The Budget includes savings of \$0.5 million for FY 2021 by renegotiating private agency foster care contracts which will include standardized rates based on level of need.
- ***Enhanced Federal Funding Claiming.*** The Budget includes \$3.3 million from federal funds to offset a like amount of general revenues for support services and placement costs within the Department of Children, Youth and Families. This would be achieved through income and asset attestation, additional kinship foster home licensing, additional personnel in its cost-allocation plan and additional supplemental security income claiming.
- ***Licensing Unit Staff.*** The Budget includes net savings of \$2.5 million from shifting additional youth from congregate care to foster care.
- ***Child Protective Investigators.*** The Budget includes \$0.3 million in savings by lowering the rate at which youth are removed unnecessarily from their homes through use of a new screen-in evaluation tool.
- ***DCYF Legal Staff.*** The Budget transfers 2.0 existing legal positions from the Department of Children, Youth and Families to the Executive Office of Health and Human Services.
- ***Female Youth Facility.*** The Budget includes \$3.2 million, including \$1.1 million from general revenues, to operate, for half a year, two in-state psychiatric residential treatment facilities for female youth with behavioral health needs currently being served in out-of-state facilities.

### **Community Services and Advocacy**

- ***COVID Relief - Elderly Nutrition Programs.*** The Budget includes \$0.2 million from Coronavirus Relief funds for nutritional services for elderly and disabled individuals through the Office of Healthy aging. This includes \$0.1 million for Meal on Wheels and \$55,000 for nutrition and personal care boxes.
- ***Veterans' Programs and Services.*** The Budget includes the enacted level of \$200,000 from general revenues to support various veterans' programs and services with the Office of Veterans Services determining how the funding is allocated.
- ***Rhode Island Alliance of Boys and Girls Clubs.*** The Budget includes the enacted level of \$250,000 from general revenues for the Boys and Girls Club Project Reach program which provides homework assistance and afterschool activities. The Governor's budget recommendation had excluded the funding.
- ***Day One.*** The Budget includes the enacted level of \$217,000 from general revenues for Day One to provide outreach and supportive service programs relating to sexual assault.

- ***Institute for the Practice and Study of Non-Violence.*** The Budget includes the enacted level of \$200,000 from general revenues to support the Institute's Violence Reduction Strategy program.
- ***Rhode Island Community Food Bank.*** The Budget includes the enacted level of \$175,000 from general revenues for food collection and distribution through the community food bank. It also includes \$670,000 from federal Coronavirus Relief funds for total FY 2021 funding of \$0.8 million.
- ***Community Action Agencies.*** The Budget includes the enacted level of \$600,000 to support services provided by the state's community action agencies.
- ***Crossroads.*** The Budget includes the enacted level of \$500,000 from general revenues to support activities provided by Crossroads Rhode Island that address homelessness and other related issues.
- ***Domestic Violence Prevention Activities.*** The Budget includes the enacted level of \$300,000 from general revenues for domestic violence prevention activities contracted through the Rhode Island Coalition Against Domestic Violence and distributed to domestic violence shelters in the state.
- ***Senior Services Support.*** The Budget includes the enacted level of \$800,000 from general revenues to support the state's senior centers through a grant process.
- ***Meals on Wheels/Elderly Nutrition Services.*** The Budget includes the enacted level of \$580,000 from general revenues for elderly nutrition, including \$530,000 for Meals on Wheels.
- ***Respite Care.*** The Budget includes the enacted level of \$325,000 to support the respite care program through the Diocese of Providence, also known as CareBreaks.
- ***Elder Housing Security.*** The Budget includes the enacted level of \$85,000 from general revenues to implement security measures in elderly housing complexes.
- ***Long Term Care Ombudsman.*** The Budget includes the enacted level of \$169,086 for the long term care ombudsman, including \$86,750 from general revenues. The Alliance for Better Long Term Care advocates on behalf of residents of nursing homes, assisted living residences and certain other facilities, as well as recipients of home care services.

## Higher Education

- ***Public Higher Education.*** The Budget includes \$1,274.8 million for Public Higher Education, including debt service. It also includes \$23.0 million for COVID related expenditures at the three institutions. Excluding Rhode Island Capital Plan funds, resources increase from the Governor's recommendation by \$8.6 million for the University, \$2.7 million for the College, and \$4.7 million for the Community College. The Budget also includes the Council's approved tuition and fee increases of 2.8 percent for the University, 7.3 percent for the College, and 3.1 percent for the Community College, providing an additional \$16.7 million in tuition and fees revenues.
- ***RI Promise Scholarship.*** The Budget includes \$7.2 million, \$0.3 million more than enacted, from general revenues to support the current Rhode Island Promise Scholarship at the Community College of Rhode Island. The increase reflects the Council-approved tuition increase for the Community College and a similar number of students as the FY 2020 experience. The Budget also extends the sunset provision of the program by one year to allow the high school class of 2021 to be the last eligible group.

- ***Need Based Scholarships and Grants.*** The Budget includes the enacted amount of \$9.6 million from tuition savings fees and federal loan reserve funds for the Last Dollar Scholarship program for students with proven academic performance and financial need to attend Rhode Island's public higher education institutions.
- ***Dual and Concurrent Enrollment.*** The Budget includes the enacted amount of \$2.3 million from tuition savings fees for the dual and concurrent enrollment initiative to allow qualified high school students to earn college credit at no cost to the student.
- ***Northern Rhode Island Education Center Staffing.*** The Assembly authorized the Office of Postsecondary Commissioner to enter into a lease for a property in Woonsocket for the Northern Rhode Island Education Center, which is expected to open in FY 2022. The Center, initially authorized in 2019 is modeled on the public-private partnership structure in place at the Westerly Higher Education Center with operating costs supported by program fees and revenues from leasing the space.
- ***URI Fine Arts Center.*** The Budget includes \$57.3 million of new general obligation bonds to be submitted to the voters in a March 2021 special election to renovate the interior of the University's Fine Arts Center. This would be the second phase of work on the center. Funding for the first phase includes \$14.9 million from Rhode Island Capital Plan funds and involves heating, ventilation, and air-conditioning system replacement and exterior envelope repairs, programmed through FY 2020.
- ***RIC College of Science and Technology Renovation.*** The Budget includes \$38.0 million of new general obligation bonds to be submitted to the voters in a March 2021 special election for the renovation and expansion of the Clarke Science Building at the College to improve the building's science and technology laboratories and facilities. The building is 43,126 square feet and was constructed in 1964.
- ***CCRI Academic and Student Support Services.*** The Budget includes \$12.0 million of new general obligation bonds to be submitted to the voters in a March 2021 special election to restore or enhance academic and student support spaces as well as infrastructure at the Community College's four campuses. This includes classrooms, laboratories, general repairs, replacing outdated technology, and energy efficiency projects. The bond would supplement \$28.0 million of new Rhode Island Capital Plan funds recommended for the same purpose over FY 2023 through FY 2025.
- ***College Crusade Support.*** The Budget includes \$3.9 million to support the operations and scholarship programs offered by the College Crusade of Rhode Island, including \$3.5 million from the GEAR-UP federal grant and the enacted amount of \$0.4 million from general revenues. The federal grant provides funds to states and nonprofits to support eligible low-income and disabled students in pursuit of secondary school diplomas and to prepare for postsecondary education. The \$0.4 million from general revenues supports staffing and office space.
- ***Best Buddies Program.*** The Budget includes the enacted amount of \$75,000 from general revenues for Best Buddies Rhode Island to support programs for children with developmental disabilities.
- ***Special Olympics Rhode Island.*** The Budget includes the enacted amount of \$50,000 from general revenues for Special Olympics Rhode Island to support its mission of providing athletic opportunities for individuals with intellectual and developmental disabilities.
- ***Small Business Development Center.*** The Budget includes the enacted amount of \$350,000 in general revenue support for the Rhode Island Small Business Development Center. The central mission of the Center is to assist in improving economic conditions within the state by providing a range of business assistance and training opportunities for both existing and prospective small business owners.

## Education and Arts

- ***COVID Relief - K-12 Reopening Initiatives.*** The Budget includes \$39.4 million from Coronavirus Relief funds for activities related to school reopening. This includes contracting with the District Management Group to assist with school reopening, recruiting and training additional substitute teachers, as well as the purchase and distribution of air purifiers to local education agencies.
- ***COVID Relief - Summer Education Programming.*** The Budget includes \$7.2 million from Coronavirus Relief funds for three separate programs to support summer learning and in-person services for children including \$2.5 million for grants to municipal and non-profit summer camps to assist with increased operating costs from providing in-person services, \$3.7 million for the Summer Academy for Interactive Learning (SAIL) which offered online summer courses, and \$1.0 million for grants to urban communities to provide summer learning activities.
- ***COVID Relief - Rethink K-12 Education Grant.*** The Budget includes \$0.6 million from new federal funds awarded to the Department of Elementary and Secondary Education in August. It was awarded a three-year, \$10.9 million competitive grant authorized under the Coronavirus Aid, Relief and Economic Security Act. Funds are limited to the establishment and expansion of virtual learning and course access programs.
- ***COVID Relief - Education Stabilization Discretionary.*** The Budget includes carry forward of \$4.6 million from federal education stabilization funds available through the CARES Act. Funds were included in the final FY 2020 appropriation but were not were not spent by the close of FY 2020. The Department of Elementary and Secondary Education spent \$0.7 million through November 17 to support summer learning opportunities and will distribute the remaining funds to those local education agencies most impacted by the coronavirus.
- ***Telecommunications Education Access Fund.*** The Budget includes \$1.4 million, including \$0.4 million from general revenues, to support the Telecommunications Education Access Fund. General revenues are consistent with prior funding levels. This fund provides financial assistance to qualified libraries and schools to acquire, install, and use telecommunications technologies to access the internet and is supported by a \$0.26 monthly surcharge levied upon each residence and business telephone access line.
- ***Curriculum.*** The Budget includes the enacted level of \$0.2 million from general revenues to support the Department of Elementary and Secondary Education's curriculum work and provide assistance to local school districts.
- ***School-Based Mental Health Services.*** The Budget includes \$590,000 from new Opioid Stewardship funds and \$2.1 million from federal adolescent health and academic achievement grant funds. New funding will be used to support mental health and behavioral health training, curricula and other materials for educators. In addition, federal funds will be used to promote mental health awareness and improved connections to services for school-age youth and their families.
- ***Advanced Coursework Network.*** The Budget includes the enacted level of \$0.5 million to support the advanced coursework network, including \$0.3 million from permanent school funds. The program allows middle and high school students in participating districts to access career preparatory as well as college credit bearing courses from a network of providers including postsecondary institutions, community organizations, and local education authorities.
- ***Hasbro Children's Hospital.*** The Budget includes the enacted level of \$90,000 from general revenues to support the hospital school at Hasbro Children's Hospital.

- ***Child Opportunity Zones.*** The Budget includes the enacted level of \$345,000 from general revenues to support child opportunity zones through agreements with the Department of Elementary and Secondary Education to strengthen education, health and social services for students and their families as a strategy to accelerate student achievement.
- ***School for the Deaf Audiology Center.*** The Budget excludes the Governor's proposal to transfer responsibility for child hearing screenings from the School for the Deaf to local education agencies, and restores \$0.2 million from general revenues.
- ***School for the Deaf Security Enhancements.*** The Budget includes \$0.2 million from Rhode Island Capital Plan funds for upgrades to the security system in response to increased violence in the immediate area.
- ***Davies Health Care Classrooms.*** The Budget includes \$5.0 million from Rhode Island Capital Plan funds over FY 2021 and FY 2022 for a new project to improve the health career program classrooms at Davies Career and Technical High School.
- ***School Construction Bond.*** The approved capital budget includes \$250.0 million from general obligation bonds approved by the voters on the November 2018 ballot for school construction and repairs. The Governor recommended an additional \$250.0 million of general obligation bonds be submitted to the voters on the November 2022 or 2024 ballot, and includes \$50.0 million from the second bond in each FY 2024 and FY 2025, with the remaining in the post-FY 2025 period. The Assembly did not act on the second bond referendum as it would not be required until FY 2022 at the earliest.
- ***Fort Adams Trust.*** The Budget includes the enacted level of \$30,000 from general revenues to support Fort Adams Trust's restoration activities.
- ***Waterfire Providence.*** The Budget includes the enacted level of \$375,000 from general revenues to support operational costs of Waterfire Providence art installations.
- ***Arts Funds.*** The Budget includes the enacted level of \$0.8 million from general revenues for the Rhode Island State Council on the Arts' grant awards.
- ***Cultural Arts Economy and State Preservation Grants.*** The capital budget includes \$7.0 million from general obligation bonds to go before the voters on a March 2021 ballot during a special election for renovations to public and nonprofit theaters and performance spaces with \$1.0 million of that reserved for qualifying projects at historic sites.

## **Public Safety**

- ***Prison Population.*** The Budget assumes a prison population of 2,267 which is 282 fewer inmates than the Governor's assumed population of 2,549. The average population for FY 2021 through December is 2,183.
- ***Correctional Officer Overtime.*** The Budget includes general revenue savings of \$1.0 million from enforcing sick leave use policies.
- ***Medication Assisted Treatment Program.*** The Budget adds \$0.8 million from the Opioid Stewardship Fund for the expansion of the Medication Assisted Treatment Program within the Department of Corrections to begin treating inmates on the first night of commitment to a correctional institution. Currently, the program includes assessments of new inmates to determine treatment options.



- **Medium Security Facility Renovations.** The Budget includes \$6.8 million from Rhode Island Capital Plan funds for FY 2021 for renovations at the Medium Security Facility.
- **Indigent Defense Program.** The Budget includes \$5.0 million from general revenues for the Judiciary's indigent defense program, which is \$0.6 million more than enacted for FY 2020 by the 2019 Assembly based on increased caseloads.
- **Rhode Island Legal Services.** The Budget includes the enacted level of \$90,000 from general revenues for Rhode Island Legal Services to provide housing and eviction defense to indigent individuals.
- **Rhode Island Coalition Against Domestic Violence.** The Budget includes \$230,000 from general revenues for the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy project, consistent with the enacted budget.
- **Judicial Asset Protection.** The capital budget includes \$6.2 million from Rhode Island Capital Plan funds for FY 2021 through FY 2025 for asset protection projects at Judicial buildings, including security upgrades, courtroom restoration, fire suppression and alarm system upgrades, interior refurbishments to public areas and office spaces, lighting and elevator upgrades.
- **Judicial HVAC.** The capital budget includes \$4.5 million from Rhode Island Capital Plan funds for FY 2021 through FY 2025 for replacement, restoration, and cleaning of the heating, ventilation, and air conditioning systems for all judicial complexes.
- **Licht Judicial Complex Restoration.** The capital budget includes \$3.8 million from Rhode Island Capital Plan funds for FY 2021 through FY 2025 for the restoration of the Licht Judicial Complex.
- **Garrahy Judicial Complex.** The capital budget includes \$6.3 million from Rhode Island Capital Plan funds for FY 2022 through FY 2025 for the restoration of the Garrahy Judicial Complex including courtrooms, flooring, repainting, woodwork, and refurbishing employee bathrooms.
- **Rhode Island Statewide Communications Network.** The capital budget includes \$10.6 million from all sources from FY 2021 through FY 2025 for the Rhode Island Statewide Communications Network. This includes \$8.1 million from Rhode Island Capital Plan funds and \$2.5 million from federal sources.
- **58th State Police Training Academy.** The Assembly did not concur with the Governor's proposal to include \$1.2 million from all sources including \$0.4 million from general revenues to train a class of 25 recruits at the State Police Training Academy beginning in June 2021. The Budget assumes a delayed start date to FY 2022.
- **Consolidated State Police Barracks.** The Assembly did not concur with the Governor's proposal for \$35.0 million through Certificates of Participation to build a new State Police barracks in the southern portion of the state. This would replace the Hope Valley and Wickford barracks.
- **Fiber Optic Cable Upgrades.** The Budget includes \$750,000 from the E-911 surcharge fees assessed to wired, wireless, and prepaid phone lines to upgrade E-911 telecommunication lines from copper wiring to fiber optic cables. The total cost of this upgrade is expected to be \$3.0 million over six years.
- **National Guard Activation.** Beginning in August 2020, the federal government required the state to be responsible for a portion of the National Guard state activation costs related to the COVID-19 emergency which had previously been paid exclusively by the federal government. The Budget includes \$5.5 million from available federal Coronavirus Relief funds and \$60,000 from general revenues for National Guard activation during the November 2020 election.

## Environment

- ***Beach, Clean Water, and Green Bond.*** The Budget includes \$74.0 million from a new general obligation bond to be submitted to the voters in a March 2, 2021 special election to be used for environmental and recreational purposes. Projects include improvements to state-owned recreational facilities, grants for coastal resiliency, grants for local recreation projects, grants to purchase conservation easements, and financing clean and drinking water projects, infrastructure projects for I-195 Park and the Woonasquatucket River Greenway and dredging Providence's rivers.
- ***Galilee Piers.*** The Budget includes \$16.8 million from Rhode Island Capital Plan funds from FY 2021 to FY 2025. This includes an additional \$6.0 million in FY 2021 to address a breach in the bulkhead and to conduct emergency repairs to a collapsed dock. Other projects include dredging Point Judith Pond, installing new fencing and grading, conducting a master plan for the Port of Galilee's headquarters, utility upgrades on new piers and demolishing old piers.
- ***Recreational Facilities Improvement Projects.*** The Budget includes \$13.2 million from Rhode Island Capital Plan funds from FY 2021 to FY 2025 for recreational facilities improvement projects including projects at Goddard State Park, Colt State Park, Burlingame State Park, updates to the Forestry Division's buildings located in Arcadia State Park, repair and renovations to the Division of Fish and Wildlife's facilities, including boat ramps at state parks, the maintenance building at the Great Swamp Management Area, safety upgrades to Breton Point, and other facilities.
- ***Local Agriculture and Seafood Program.*** The Budget includes the enacted level of \$100,000 for the local agriculture and seafood program to allow small businesses in the food sector to receive grants. Funding is matched by private sources, which have been declining over the past several years.
- ***Dam Repair.*** The Budget includes \$8.0 million from Rhode Island Capital Plan funds from FY 2022 to FY 2025 for repair work at state-owned dams deemed to be high hazard, including the Wyoming Pond Dam in Richmond, engineering analysis and design for Browning Mill Pond Dam in Arcadia, J.L. Curran Dam in Cranston, and Silver Spring Lake Dam in North Kingstown.
- ***Conservation Districts.*** The Budget includes the enacted level of \$50,000 from general revenues for regional conservation districts. The districts are quasi-public subdivisions of state government, governed by volunteer boards of directors from the communities.

## Transportation

- ***Toll Revenue.*** The Budget assumes \$44.4 million in toll revenues will be collected for use on capital projects in FY 2021 from all 13 gantries being in operation. Through the end of January, the gantry planned for the Viaduct has not yet been installed and the one on the Washington Bridge has not yet begun collections.
- ***State Match - General Obligation Bonds.*** The Assembly included \$71.7 million of general obligation bonds for voter approval for the Department of Transportation to use as state match. These funds would be used to make up for other shortfalls in state match related to a decline in gas tax and other sources resulting from the current crisis. The Governor requested an amendment to add \$30.0 million of new general obligation bonds and to remove \$30.0 million of pay-go funding from Rhode Island Capital Plan funds based on the reduced resources available for FY 2021. The Assembly included the adjustment to Rhode Island Capital Plan funds.

- ***GARVEE Debt Service.*** The Budget includes \$8.0 million from federal funds for a debt service payment on the \$200.0 million Grant Anticipation Revenue Vehicle (GARVEE) program to fund construction costs for the Interstate 95 Northbound Providence Viaduct project. The bonds were approved as part of the FY 2020 enacted budget in June 2019 and the Department was notified of a \$60 million federal discretionary grant in late July.
- ***Materials Lab Testing Facility.*** The capital budget includes \$3.8 million from available land sale proceeds to make renovations to its material testing laboratory in Providence to provide consistent temperature, environmental and air quality, and vibration and noise control.
- ***Highway Drainage.*** The budgets assume use of \$9.2 million for FY 2020 and \$6.0 million for FY 2021 from highway maintenance funds for catch basin inspection and cleaning. The Department is currently required by a consent decree with the U.S. Department of Justice to maintain storm drains and address pollutants that are going into Narragansett Bay and other waterways. Pursuant to the consent decree, the Department of Transportation must inspect and clean the state's 34,000 stormwater catch basin systems and other connected drainage structures on an annual basis.
- ***Winter Maintenance.*** The Budget includes \$16.3 million for FY 2021 for winter maintenance expenditures.
- ***Rhode Island Public Transit Authority.*** The Budget includes \$49.1 million for the Authority's current share of the highway maintenance funds and gasoline tax proceeds.
- ***Rhode Island Turnpike and Bridge Authority.*** The Budget includes a transfer of \$14.2 million from gasoline tax proceeds to the Turnpike and Bridge Authority for operations related to the four bridges under its purview.
- ***Providence Transit Connector.*** The Budget assumes use of \$2.0 million each from the Department of Transportation's share of highway maintenance funds and Rhode Island Capital Plan funds to match a \$13.6 million federal grant that was awarded to improve the transit corridor between Kennedy Plaza, the Providence Train Station and other hubs. The City of Providence was the original recipient of the Transportation Investment Generating Economic Recovery (TIGER) grant, and the Public Transit Authority has agreed to administer the project, with the state providing the match.
- ***URI Bus Hub.*** The capital budget includes a total of \$8.3 million, including \$0.9 million from Rhode Island Capital Plan funds to match federal funds to construct a new bus hub at the University of Rhode Island Kingston Campus; bond funds from available University of Rhode Island capital funds for infrastructure projects and highway maintenance funds will also be used for matching. The project will include bus berths with shelters, interior waiting space, restrooms, electric charging stations, and bicycle racks.

